

# SHOP talk

Volume 6, No. 1

Plant Operations Support Program

Summer 2001

## Member Leverages Consortium Resources

### King County Metro south plant benefits from member-to-member assistance

Story and photos by Bob MacKenzie



*Pam Randolph, operating supervisor of facilities services for the plant, discusses work load and site challenges with James Burnson, custodial operations manager for GA's Division of Capitol Facilities during a recent on-site assessment.*

When Pam Randolph subscribed her organization to the POS Consortium she hoped to benefit from the collective experiences of its members. If the recent on-site visits by a number of members were any indication, she's getting her full value from the family of public facility managers.

The King County Metro south treatment plant in Renton, Washington is huge and complex by any standards. Randolph, a 13-year employee of the plant, is its operating supervisor of facilities services and her duties are as diverse and taxing as any. She's been confronting challenges in a number of arenas, including custodial operations, grounds and physical security. Consortium members Pattie Williams and James Burnson answered the Consortium staff's call for assistance in assessing the plant's custodial operations *pro bono*. Williams is support services manager and Burnson is custodial operations manager in General Administration's Division of Capitol Facilities in Olympia. They have assisted Consortium members in the past in Chehalis, Montesano and other areas.

"We're delighted to help Consortium members in any way we can," said Williams. "Our boss, Assistant Director William (Bill) Moore, is very supportive of our involvement and, besides, we get to see and learn how others cope with similar issues and challenges confronting them...these data enable us to better manage our operations as well."

Randolph applauds Williams and Burnson for their willingness to help another Consortium member and the plant's employees are profiting directly from their skills and expertise. She is especially grateful for the multiple on-site visits and the assessment report that's helped her deal with recent vexing issues surrounding the plant's custodial crew.

"This is what we hoped to get and more from our membership in the Consortium," said Randolph. "The staff respond to our requests in timely ways and other members have taken valuable time to assess our operations and recommend ways we can do our jobs more effectively and efficiently."

In addition to the custodial operations assessment, Randolph has received a physical security assessment by Consortium personnel. The security assessment included contract work by Leroy Peoples, a retired state card-key access expert and Consortium Honorary Lifetime member; and support by POS staff.

"The initial security assessment is being reviewed by our senior management and will go a long way toward providing us a blueprint for enhancements in the future," said Randolph.

**For further information, contact Pam Randolph, (253) 684-2406, Pattie Williams (360) 902-0960 or James Burnson (360) 902-0961. POS staff wishes to thank Pattie, James and other members who routinely provide outstanding support to the Consortium. The Consortium would not be successful without them.**



*Pam Randolph shows a Consortium on-site assessment team the layout of the King County Metro south plant in Renton, Washington.*

**2 What's happening around the Consortium?**

**3 Mark your calendars for Seattle events**

**4 BOC-POS graduates, more courses offered**

**5 Printing pros added to Consortium rolls**

**6 Superintendent advocates use of offender labor**

**7 Capital planning process/asset deterioration**

## POS Notes

By Bob MacKenzie, Manager



What an eventful past few months it's been. We've:

- added six more respected leaders to the Consortium Hall of Fame (see Spring 2001 Shop Talk)
- responded to nearly 370 requests for assistance in the past three months alone
- conducted a number of on-site assessments (often with the fantastic help of members and retirees, see page 1)
- provided construction management and AHERA planning assistance to Peninsula School District, Wenatchee School District and City of Snohomish
- welcomed-back most members for two more years (see below).

The Consortium has continued to grow with the addition of Washington state's Departments of Natural Resources & Printing, Olympic Community College, Toledo School District, King County Metro South Plant, and Okanogan-Skaha School District in Penticton, British Columbia.

Congratulations to you, the Consortium members, for nabbing yet another national award. We were recently named runner-up in the prestigious *2001 Innovations Award* competition sponsored by the Council of State Governments, placing the program in the top three percent of all submitted entries in the United States!

A number of members have taken advantage of surplus and salvage offerings and we applaud you for making items available or for reusing and making scarce taxpayers' assets last. You put the meat in "sustainable operations."

Please allow me to use precious **Shop Talk** space to thank the POS staff for their extraordinary support these past several months. **Phil Person**, senior project coordinator, has completed a number of complex jobs under deadline and under budget, saving Consortium members nearly \$200,000 in just four months! His management of the Henderson Bay High School demo and his current work on the grain mill in Snohomish are setting new standards of excellence and efficiency. Phil will be representing the Consortium at the upcoming annual meeting of the International Facilities Management Association, *World Workplace*, in Kansas City this fall. He will present "Collaborative Facilities Management," a model based on the Consortium to an international audience. It's indeed a pleasure having such strong talent on your staff.

**AnneMarie Bammert** — soon to be named a Contract Specialist 1 after a grueling 12-month training program — is singularly responsible for Consortium invoicing and other business transactions. She routinely accomplishes the impossible, even while responding to member requests and handling dozens of fast-moving tasks and missions. What a top-notch performer!

**Amanda (Mandy) Leaverton**, provided full-time support during the summer and will revert to intern status to continue her graduate studies at nearby St. Martins College in Lacey. Mandy is a true gem, with writing and speaking skills above reproach, an operations savvy that is uncommonly rare and research talents second to none. **Jim Lee**, facilities supervisor, Washington State Patrol, credited Mandy with solving a vexing problem with anti-static properties for their flooring that had been troubling

them for many months."

Finally, **Tonya Darby**, another St. Martins College intern performing full-time duties during the summer months, has "scrounged" materials and equipment, researched and written articles, traveled and coordinated Consortium events in ways worthy of emulation. She is a natural innovator and is able to translate imaginative ideas into concrete action and to make things work. We have been blessed to have Mandy and Tonya working for you, the members, and we envy the elementary and high school kids who will eventually call these top performers "teacher."

Star contributors such as **Pattie Williams**, **James Burnson** and **Brian Riley**, from GA's Division of Capitol Facilities, are willing to travel long distances and perform detailed assessments for members. We cannot thank them enough. There are so many more people to thank that we'd need another eight-page **Shop Talk** to make it happen. Hey, that's not a bad idea for a special addition in the future! By the way, keep your eyes open for details about the October professional development videoconference. It's to cover the "Summer from Hell," discussing ways members coped with the energy crunch and adjusted operations under tight fiscal constraints.

Remember, we can only help if you contact us. Send an e-mail, post to the list-server, make a telephone call, dispatch a pigeon or shout real loud, but let us know your challenges and get full value from your membership. We look forward to many years of supporting hardworking public servants such as y'all. All the best,

Bob

### The Plant Operations Support Consortium

*New members appear in green and renewing members are listed in gray type. Welcome and thanks on behalf of the Consortium!*

#### School Districts

Cascade  
Chehalis  
Clover Park  
Columbia-Burbank  
Coquitlam, BC  
Delta, BC  
Eatonville  
Enumclaw  
Federal Way  
Hoquiam  
Issaquah  
Ketchikan, AK  
Lacrosse  
Marysville  
Mission, BC  
Montesano  
Mukilteo  
Northshore  
North Thurston  
Oak Harbor

#### Ocean Beach

Ocosta  
Okanogan Skaha, BC  
Peninsula  
Renton  
Rochester  
Sequim  
Snohomish  
Toledo  
Wenatchee  
White River  
Wishkah Valley  
Yelm

#### Universities/Colleges

Bellevue CC  
Big Bend CC  
Clark College  
Columbia Basin  
Cmty Colleges of Spokane  
Highline CC

#### Olympic Community College

Renton TC  
Skagit Valley College  
The Evergreen State College  
Univ. of Washington

#### Municipalities

City of Bonney Lake  
City of Tukwila  
City of Snohomish  
Clark County  
Cowlitz County  
Jefferson County Public Works  
King County Metro South  
Kitsap County  
Lewis County  
Pierce County  
Whatcom County

#### Canada

Attorney General, BC  
Municipality of Peel, ON

#### Ports

Port of Anacortes  
Port of Edmonds  
Port of Ephrata  
Port of Longview  
Port of Mattawa  
Port of Olympia  
Port of Pasco  
Port of Ridgefield  
Port of Seattle, Sea-Tac Airport  
Port of Sunnyside

#### States

Alaska  
Idaho Dept. of Admin.  
Oregon Dept. of Admin. Svc.  
Oregon Youth Authority

#### Washington State Agencies

Corrections  
Ecology  
General Administration  
Health  
Information Services  
Liquor Control Board  
Military  
Natural Resources  
Parks & Recreation  
School for the Deaf  
Social & Health Services  
Transportation  
Veterans Affairs  
Washington State Patrol

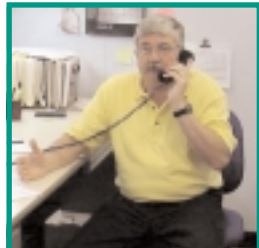


## WSDOT Facilities Staff Nab International Award

Washington state facilities staff in the Department of Transportation (WSDOT) recently captured a "Distinguished User Award" from Archibus/FM, Incorporated. The award was announced during the company's annual Users Conference in Ottawa, Ontario, Canada. The event offered a forum for sharing ideas and expertise, learning new FM strategies, and networking with peers and industry luminaries.

"The User Conference has gained stature over the years as the "not-to-be-missed" conference for keeping pace with the latest in FM automation and infrastructure management technologies," said Ron Niemi, WSDOT Facilities Manager and Archibus/FM Team leader. "We're very pleased that our efforts were acknowledged in such a distinguished forum."

WSDOT selected the system in fall 2000 and formed an integrated team to bring it on-line and make it operational throughout the department. Archibus/FM is a leading facilities management software package, organizing information for the strategic management of building assets. The product integrates data to enable effective management of space, preventive and corrective maintenance, leases, drawings and building contents, including use of space by occupant organizations, assigned staff, furnishings, IT cabling, and contents. It is web-enabled, meaning that facilities data will be accessible to agency staff outside of the front-line facilities managers.



Tom Kuchman, PE, WSDOT's Archibus/FM system administrator, discusses implementation with vendor Applied Data Systems of Minneapolis, Minnesota. (Photo courtesy WSDOT)

The implementation of this program has been an on going effort by WSDOT's Computer Aided Facilities Management Team.

"We're closing in on the successful completion of phase one of the project by populating the database with information from myriad sources and defining interfaces with other department systems," said Tom Kuchman, WSDOT System Administrator. "Phase two will send the data to the regions for use in daily facilities management processes, with web capability soon to follow."

For more information, visit the company's web-site at [www.archibus.com](http://www.archibus.com), contact Tom Kuchman (360) 705-7437 or e-mail [kuchmaT@wsdot.wa.gov](mailto:kuchmaT@wsdot.wa.gov), or contact Ron Niemi, (360) 705-7890 or e-mail [NiemiR@wsdot.wa.gov](mailto:NiemiR@wsdot.wa.gov).

## Procurement Conference and Trade Show Promises Annual Benefits



Mark your calendars for the **General Administration, Office of State Procurement 8th Annual Training Conference and Trade Show on November 5 and 6, 2001**. Once again, it will take place at the Washington State Convention and Trade Center in Seattle.

Officials in the Office of State Procurement encourage any customer who is responsible for purchasing goods and services to take advantage of this "wonderful opportunity, at no cost, to visit the 90 exhibits, meet vendors and attend the training sessions."

"We will feature knowledgeable, qualified speakers covering a diverse training agenda," said Pam Warner, conference coordinator. "We believe the presentations will provide valuable information. Specifically, we think it will help you become more effective, knowledgeable and professional regarding statewide purchasing. It will provide you with information to improve processes and improve customer satisfaction. You will also be able to achieve CPM credits."

**The training schedule will be available in September. For further information, contact Pam Warner at (360) 902-7416 or E-mail: [pwarner@ga.wa.gov](mailto:pwarner@ga.wa.gov).**



**Shop Talk** is a quarterly publication of the Plant Operations Support program. The newsletter is intended to be an informative and operationally-oriented medium for public facilities managers. Contents herein are also available on the program's web site at [www.ga.wa.gov/plant](http://www.ga.wa.gov/plant)

We welcome feedback on the newsletter's contents and input from readers. We reserve the right to edit correspondence to conform to space limitations. Bob MacKenzie is program manager and editor (360) 902-7257 or e-mail [bmacken@ga.wa.gov](mailto:bmacken@ga.wa.gov). Special thanks to Steve Valandra, AnneMarie Bammert, Phil Person, Amanda Leaverton and Tanya Darby for editing assistance. Plant Operations Support does not make warranty or representation, either expressed or implied, with respect to accuracy, completeness or utility of the information contained herein. Plant Operations Support assumes no liability of any kind whatsoever resulting from the use of, or reliance upon, any information contained in this newsletter.

State of Washington  
Department of General Administration,  
PO Box 41012, Olympia, WA 98504-1012.  
Marsha Tadano Long, Director.

To request this information in alternative formats please call (360) 902-7215, or TDD (360) 664-3799.

## 5th Annual Washington State Plant Engineering & Maintenance Show in Seattle Promises Insight, Professional Development

**POS, Military Department, Tero partner to provide CMMS session**

Your POS staff urge you to join them for the Washington State Plant Engineering & Maintenance Show WPEM Sep. 26 and 27, a free conference. Consecutive, one-hour sessions on the latest topics on plant engineering and maintenance will be presented during the two-day affair.

**Stadium Exhibition Center • Seattle, WA**  
Wednesday, Sept. 26, 2001  
Thursday, Sept. 27, 2001  
Exhibit Hours: Wed. 9 a.m.-3 p.m.  
Thursday 9 a.m.-3 p.m.  
Conference Hours: Wed. 8 a.m.-3 p.m.  
Thursday 8 a.m.-2 p.m.

POS staff invite you to attend Session 3 on Wednesday, Sep. 26 from 10 a.m. – 11 a.m. for: **Effective CMMS Implementation: A Case History.** The

session will describe the selection and implementation of a web-based computerized maintenance management system (CMMS) at the Washington State Military Department headquarters at Camp Murray in Tacoma. John Carlton, system implementation coordinator for the Washington State Military Department, will team with Bob MacKenzie, Consortium manager, and Tero Consulting Engineers to highlight how and why the CMMS was selected, lessons learned and provide a status report of its success.

**To register for the free Trade Show and Conference, visit:**  
<http://www.proshows.com/fi/attend.php?show=WPEM> or call your POS staff (360) 902-7257.

# Twenty-three Consortium Building Operators Receive Certification

## Registration opens in Renton and Everett, Washington

Nineteen Consortium facility operators working in state buildings, or public school districts in Washington State were recently awarded "Building Operator Certification-Level I." Another four were awarded Level II certification. Many of the operators participated in a recent POS Consortium-sponsored BOC course series held in Olympia, Washington where they completed seven months of classroom training and in-facility project work to earn certification. Topics include HVAC systems and controls, energy conservation techniques, electrical systems, and indoor air quality.



### BOC Level I Awardees

Bill Arthur	Plant Manager	WA State DVA, Soldiers Home
Erling Birkland	Facility Manager	Yelm Community Schools
Robert Bristol	Electrician	WA State GA/DRES
Fred Browning	Plant Manager	WA State DVA, Veterans Home
Anne Clay	Construction Superintendent	WA State GA/Capitol Facilities
Donald Hovland	Maintenance Mechanic II	The Evergreen State College
Richard Jensen	Electrician Supervisor	WA State GA/Capitol Facilities
Ira Mahlum	Maintenance Mechanic II	The Evergreen State College
Theodore Martin	Facilities Manager	WA State GA/DRES
Jerry Miller	General Repairer	WA State Dept of Health
Dan Moore	Building Manager	WA State GA/Capitol Facilities
Bill Noyen	HVAC Technician	North Thurston Public Schools
Brad Peters	Building Manager	WA State DSHS/Central Ops
James Ratliff	HVAC Technician	North Thurston Public Schools
James Reese	Maintenance	Yelm Community Schools
Brian Rhodes	Maint Mechanic II	The Evergreen State College
Burke Smith	Electronics Technician	WA State GA/ DRES/ NCGC
Michael Terrell	HVAC Technician	North Thurston Public Schools
Patsy Van DeWalker	HVAC Technician	The Evergreen State College

### BOC Level II Awardees

Robert	Garage	Maintenance Mechanic II	Bellevue Community College
Rick	Miklethun	Electronics Technician 2	WA State GA/Capitol Facilities
Ron	Noble	Electronics Technician 2.	WA State GA/Capitol Facilities
Bob	Sanchez	Facility Manager	Dept of Health/Public Health Labs

BOC is a competency-based training and certification for building operators to improve the energy efficiency of commercial buildings. Operators earn certification by attending training sessions and completing project assignments in their facilities. The certification provides a credential for their professional development while also offering employers a way to identify skilled operators. Certification is recognized by employers in Idaho, Montana, Oregon and Washington and in eight states in the Northeast. BOC courses are also accredited for continuing education units through the Washington State Department of Labor and Industries, and Lower Columbia College. Over 500 operators in the Northwest have been certified since the program's inception in 1997.

Registration for Building Operator Certification (BOC) opens this fall in two locations in Washington. BOC Level I course series will be offered in Everett on September 19, and in Renton starting October 4. Topics include HVAC systems and controls, energy conservation techniques, electrical systems, and indoor air quality.

**Sponsors of the upcoming Everett and Renton courses include Snohomish County PUD and Puget Sound Energy. For registration information contact the BOC Office at 206-292-4793 x2, or email [BOCemail@aol.com](mailto:BOCemail@aol.com), or visit NEEC's web site at [www.neec.net/boc.htm](http://www.neec.net/boc.htm).**

## Turning Over the Rocks of Huge Savings

### Schools' RCM program lauded for making a difference

By Tonya Darby, Shop Talk staff

"Funds and savings are shy things that tend to hide under rocks. And you have to turn over a lot of rocks to find a big pile of savings, because they usually come in small packages," says John McKay, the Manager of Resource Conservation for Coquitlam, British Columbia School District #43.

It's all about becoming aware of the little things at our facilities—like turning off a computer at the end of the day. McKay convinced his district to get into the habit of doing so and found that it actually saved \$25 (CDN) per year, per computer. For 4,000 computers, that's \$100,000 a year. Count the number of computers at the office, school, or facility and that adds up to a lot of dollars—fast.

Coquitlam School Board Chair Barb Hobson has been impressed with McKay's energy saving ways. And she wasn't the only one impressed. The district has received two prestigious awards recognizing their commitment to saving energy.

Hobson admits that the district was at first hesitant to spend the money to pay for the RCM position, but "the money that John has already saved us would pay his salary a couple of times over." The money isn't the only benefit, explains Hobson, "We're doing it to be environmentally aware. I think it's an excellent opportunity to educate our students, too."

Since obtaining the new position, John has become the "Sherlock Holmes" of Coquitlam, finding savings in the most unique places. "There are savings almost everywhere—over-billings, water leaks, failed controls, broken fan belts and dampers, etc. You have to monitor and track the energy use, and get at the most energy intensive ones first." Most importantly, John says, "You cannot do it by yourself. You have to motivate and empower the key players, custodians, maintenance, teachers and students, and then give them the technical ability to tell good from bad."

The RCM program is a joint promotional effort between Washington's Department of General Administration (GA) and Oregon's Office of Energy. The program itself is a management tool that helps to reduce operating costs, increase efficiency, prepare for deregulated energy purchases and promote environmentally friendly operations. Gwen Haynes operates the program for GA, helping to connect members of the program to one another and to useful resources.

**Portions of this article first appeared in Education Leader, March 30, 2001.**



John McKay

## Washington Printing Member Offers Consortium Host of Products at Low-Cost, First-Class Service

### For members looking for printing support, we've got your number

By Shop Talk staff



Printing employees Dan Smith (r) and Jim Chavez perform maintenance checks on the Department's state-of-the-art six color Komori press. (Photo courtesy Dept. of Printing)

The Washington State Department of Printing, the newest and most entrepreneurial addition to the Plant Operations Support Consortium, can provide members printing and associated items at competitive prices with added value. The department has been printing **Shop**

**Talk** since the Consortium was created nearly six years ago. Department leaders thought it "only natural that we join this award-winning group and lend a hand in adding enhanced value," said George Morton, department director.

"Sometimes dealing with a printer can be a little overwhelming. The process involves an abundance of details and deadlines, and it doesn't help that printers speak a language all their own," said Evonne Anderson, customer service manager of the department. "Our customer service department is dedicated to serving Consortium members as guides and translators through the printing process."

Morton explains that the department's services are available to public agencies, boards, commissions, institutions and political subdivisions. It is the department's vision to be the "Printer of Choice" by offering their customers high-quality printing and printing services at competitive prices.

The department combines the resources available through their main plant and regional copy centers to provide Consortium members with complete one-stop document services, including:

**Graphic Design • Offset Printing • Digital Copying • Binding Mailing • Fulfillment Services • Shipping • Promotional Items**

**For more information on services provided by the Washington State Department of Printing, contact Bob Samuelson or other department professionals @ 360-753-6820, FAX: 360-586-8831, Email: bobs@prt.wa.gov or access the department's home page @ <http://www.wa.gov/prt>. Ensure you mention your Consortium membership.**



## Retiring Associate Superintendent Advocates Use of Offender Labor Pools

***'We've got professionally skilled people behind walls who could be better utilized by community, state'***

*Story and photos Tonya Darby, Shop Talk staff*

Gary Jones may be retiring from his post as associate superintendent of the Washington Corrections Center in Shelton, Washington, but he hasn't lessened his frenetic pace, nor does he acquiesce, and just "go along" to avoid controversy. Superintendent Jones — a Marine veteran of three tours in Vietnam — remains hard at work promoting the diversity and quality of a seldom-used labor pool: offenders locked away in the state's corrections system sitting idle while their useful skills atrophy.



*Gary Jones, Associate Superintendent of Washington Corrections Center, Shelton, Washington.*

"Many of these offenders truly want to give back to their communities and this is a simple, yet meaningful, way for them to do so," Jones said. "At any given time, there are offenders who are professionally trained for any and all types of construction, and repair and maintenance of equipment. Not to mention experts in various trades like plumbers, electricians, construction, road workers, concrete workers and finishers, gardeners, carpenters, and painters."

Having worked in the state's Department of Corrections (DOC) for nearly 27 years, Jones knows the strain of working on a tight facilities budget. He sees offender work crews as an excellent way for facilities managers to save money, maximize resources, and create win-win situations for all.

Many of the state's correctional facilities have equipment necessary to

manufacture and repair items. That availability, combined with the practical use of skilled offenders, can result in work accomplished at a fraction of the cost of a private contractor. It is Jones' hope that other Consortium members will learn to "tap into those resources" and take advantage of the opportunities sitting "right in front of us."

"My belief is that, by using offender labor pools, we can save state government and non-profits millions of dollars by doing repair and construction work to benefit the daily operations of the community," he said.

The opportunities do not stop at repairing and manufacturing. Even though this special program limits use to government agencies and non-profit organizations, supervised offender work crews are available to complete projects, again at only a fraction of the cost. Jones is quick to point out that these work crews "do not want to compete with the private sector, they only want to maximize state tax-based funds."

Ideas such as the use of offender labor pools are met with reluctance by some, who would rather see offenders "put away" and punished for their crimes. Others are afraid offenders will encroach on legitimate labor opportunities in the communities.

"Those may be legitimate concerns," said Bob MacKenzie, POS Consortium manager and admitted admirer of Jones' ideas. "But, if the naysayers pause long enough to study data regarding offender recidivism rates and the collaboration possibilities Gary Jones advocates, they'll hop on board this train diddle-quick. Gary knows what he's talking about and these offender crews can do great things without affecting local employment."

Jones' vision is for DOC to expand partnerships with communities and facilities in every corner of the state that will benefit those communities, the offenders, DOC, and every affected taxpayer. He admits this is a fairly new concept and that it may be unpopular in certain political circles, but "it has the potential to allow every facility

administrator to make the most of their very limited resources," he said. "So far, only a few corrections facilities have such programs in place to support surrounding communities. Correctional facilities with similar partnership programs have the potential to benefit the entire state. Resources get maximized; offenders learn or use marketable skills and gain a sense of worth; work that needs done and usually never gets completed can get accomplished."

The program Jones suggests is already a Class IV industry work program and is relatively simple to implement, he said. Offenders are able to participate in active, meaningful work while learning (or using) skills that will allow them to return to the community and become contributing citizens. At the same time, offenders earn slightly more than they would working inside the prisons, thus providing the incentive needed to ensure a job well done. Work crews are generally made up of ten offenders and a supervisor. The offender labor pool is a Class III industry program and the pay scale is minimal [up to \$1 an hour] for its offender laborers. So, DOC is able to utilize remaining resources to purchase top-quality materials and equipment.

"No matter which way you look at it, the program stands to benefit anyone willing to participate," Jones said. "Facilities staff often have a hard time keeping up with the work to be done. This program has the ability to get those things fixed that never get done because of budget shortfalls or a lack of labor. Offender labor can enhance work projects and then, facility managers will only need to maintain their facilities instead of trying to play catch-up all the time."

Jones knows that offender work crews can complete complex capital projects under select project managers, but he would prefer to see them used in a way that will allow for the maximum benefit of their services. For example, the Eastern Washington city of West Richland is a huge supporter of this concept after having reaped the benefits of offender work crews.

***Please see Labor Pools, page 8***

# See the Present – Know the Future

## Implications of Asset Deterioration

Special to Shop Talk by Casey Goossens, VP Physical Planning Technologies Inc. (PPTI)

Today, more than ever, facilities managers and owners of asset portfolios are thrust in an environment of overwhelming change. As a result, there is a need to develop strategic skill sets that address new challenges for managing these asset investments. Managers are mandated to create efficiencies for both the long- and short-term planning windows. You are being asked for reports and business cases that hold you accountable for how asset renewal issues are being handled. We need to explore:

- The problem.
- The cause of the problem.
- The implications associated with the problem.
- Developing and communicating solutions.

That's a tall order for a short article in **Shop Talk** and even more daunting as a new management discipline to learn. With the help of an asset planning methodology such as PPTI's RECAPP software program, you can develop and analyze your portfolio so that you can see the present state of your assets and know the future needs for sustaining and improving asset condition.

### The Problem



Chris Hamilton (l), account manager for PPTI, and Phil Person, Consortium senior project coordinator, compare asset deterioration projections during a meeting in Olympia. (Photo by Bob MacKenzie)

**Assets Deteriorate.** They deteriorate continually. And, for the most part, capital renewal budgets and processes are simply not structured to meet the needs of the asset now or into the future. Both functionality and value are, or will, be jeopardized.

The problem is measured by identifying what the current and future capital renewal backlogs. The renewal backlog constitutes all of the projects or "events" that will occur to the portfolio of assets over the strategic term.

Next, the current level of funding is extrapolated over the same strategic time period (25 years). The example in figure 1 shows a typical portfolio that can only deal with about 30 percent (\$3B) of the overall unfunded liability (\$10B). As a result, the asset base in this case is deteriorating at an accelerated rate.

The problem here is three-fold. First, how do you most effectively spend the current allowable budget to maintain the best asset condition possible. Second, what is the potential

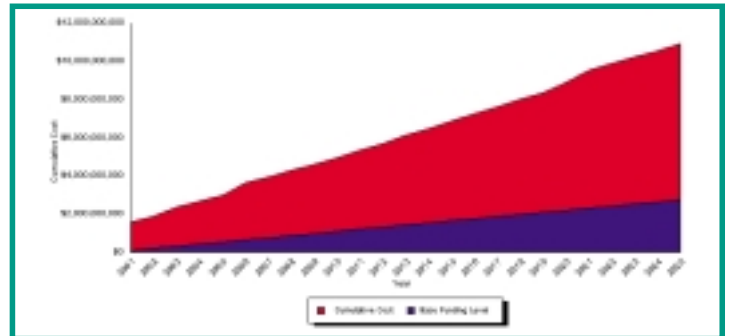


Figure #1 - Cumulative Event Costs vs. Cumulative Base Funding

adverse facility operations impact of the unfunded liability. And third, based on the severity of apparent operational impacts, how can we create, and effectively communicate to senior management, solution scenarios that tie quantifiable asset condition ratings to the operational performance of the asset base.

### The Cause of the Problem

The primary reason for the decline in the condition of assets in North America is the age of its building stock. The postwar boom generated the need for more public services such as health, education and administration. As a result, most of the "new" building took place between 30 and 65 years ago.

The required amount of capital renewal work naturally increases as buildings age. Industry standards have shown that the majority of components in a building begin to wear out in 30-40 years.

The age portfolio of public building in North America highlights that the largest period of construction occurred between 1950 and 1975. The public system is clearly in the middle of unprecedented demand for capital renewal. Past and current capital funding levels are inadequate to offset the deferred investment needed now.

*Please see Asset, page 8*

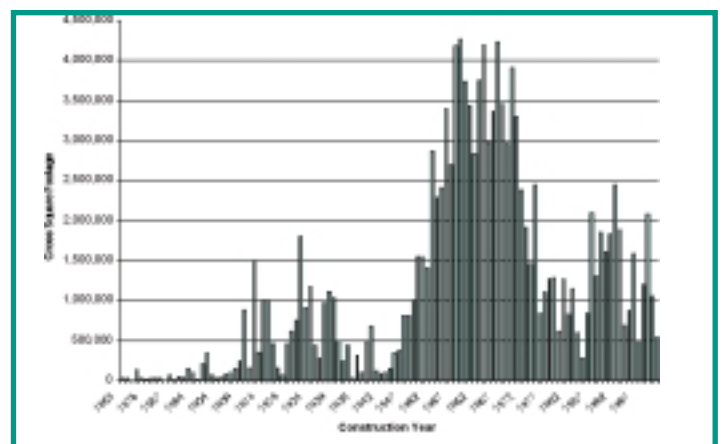


Figure #2 - Age Profile as a Function of Total Area



*"Work crews do not want to compete with the private sector, they only want to maximize state tax-based funds."- Gary Jones*

### Labor Pools

(Cont. from page 6)

"Before they began, things were not pretty. The city had a limited public works budget and a small employee labor pool," explains Jones. "So, the city took it upon themselves to establish the necessary contacts in order to begin using an offender work crew. They were able to maximize their efforts and accomplish the feat of cleaning up the city. Now there are beautiful parks throughout the city, people are moving to the area and the residents are full of pride. The city continues to use work crews for other projects."

Jones acknowledges that the program was met with some initial resistance in West Richland, but "now, the city gladly praises

the work of the program provided by Coyote Ridge Correction Center offenders at Connell, Washington."

Use of offender labor pools may receive increased positive attention with Consortium members encountering ever-tightening fiscal realities. Superintendent Gary Jones advocates their use throughout the state and replication, with some modification, by other members such as British Columbia, Oregon, Idaho and Alaska. Rather than "stacking arms" as he approaches a cozy retirement, Jones drives hard to maximize state resources and some yet to be optimized.

**For further information about offender labor pools, contact Superintendent Jones (360) 427-4618.**

### Asset

(Cont. from page 7)

#### The Implications

If we go back to the unfunded liability described in Fig. 1, we can see that the problem grows every year. This relates directly to the worsening of the condition of assets into the future. In order to know the future of these conditions more clearly, we must first agree to a benchmark to measure the impact of the unfunded liability. One such benchmark is "FCI", or Facility Condition Indices.

FCI simply states that the amount of repair and replacement an asset needs in a given year, divided by the replacement value of the asset, equals a condition measured as a percentage. The benchmark further explains that if those repair and replace needs are less than 5 percent of the asset replacement value, then the asset is deemed in good condition; 5 – 10 percent is deemed in fair condition; 10 – 20 percent is deemed in poor condition; and, over 20 percent is deemed in critical condition.

#### Facility Condition Index (FCI)

##### Measuring Solutions

With the help of a capital asset planning system, you can project various levels of funding on the portfolio of assets. The system analysis will reveal what the funding needs to be in order to bring the asset stock from an existing condition (e.g. critical) to a desired condition (e.g. fair) over a strategic time frame (e.g. 25 years).

### Figure 3

These new funding formulas could be calculated from strategies recommended such as:

- Building consolidation
- System implementation
- Energy management programs
- Consolidated buying efforts
- Additional funding requirements

By presenting objective, results-oriented business cases, portfolio managers can finally feel confident to accept accountability for budget spending and be positioned as strategic allies to the financial and corporate managers. New strategies and new funding sources will have a better chance for consideration and approval.

The declining condition of public assets in North America is a serious problem that is leading to degradation of the working, learning, and living environments for communities. Top line management needs to work closer with asset and facility managers to better understand and react to changes for the future.

**For further information on the RECAPP methodology and software from PPTI call 1-866-278-7784 (Head Office) or 1-877-289-7784 (Pacific Northwest Office) or visit their website at [www.recapp.com](http://www.recapp.com).**



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